

MARKETBEATS

2.98%
PRICE GROWTH
YoY

93.9%
SALES RATE
H1 2018

3,302 units
NEW LAUNCHES
H1 2018

WHAT'S
NEXT

HIGHLIGHTS

Economy Remain Stable

GDP is projected to have grown within the range of 5.1% to 5.25% in the third quarter of 2018. The stock market composite index increased 2.7% over the same 3 month period, closing at 5,958 on September 21st. On the currency side, the Rupiah depreciated further by 5.5% to reach 14,799 per US\$ 1.00. Year-to-date inflation was recorded at 2.13%, slightly lower than 2.53% in the same period last year.

Slight Improvement

The overall Greater Jakarta landed residential market improved slightly in first half 2018, reflected by the incline of take-up value. Even though the average housing unit transacted only increased by about 0.2 units per month per estate, the take-up value during the period increased with average monthly take-up value of approximately IDR 33.8 billion per estate or a 10.4% increment from the semester's figure, reflecting transacted price from those in the previous semester. Unlike demand, supply experienced a big drop of -31% compared to that in previous semester.

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ECONOMIC INDICATORS

| | Q3 18 | Q3 17 | 12-month Forecast |
|-------------------|-------|-------|----------------------|
| GDP Growth | 5.1% | 5.1% | ▲ |
| Inflation (YTD) | 2.13% | 2.53% | — |
| Central Bank Rate | 5.75% | 4.5% | ▲ |

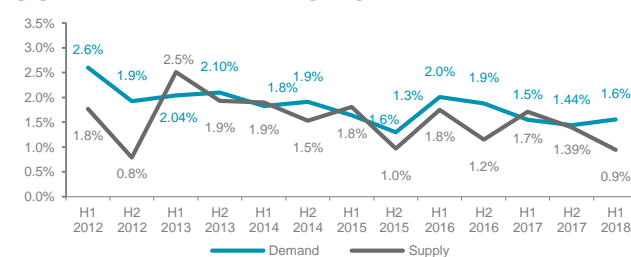
Source: Cushman & Wakefield Indonesia Research, September 2018

MARKET INDICATOR

| | H2 17 | H1 18 | 12-Month Forecast |
|---|-------|-------|----------------------|
| Overall Sales Rate | 93.3% | 93.9% | ▼ |
| Avg. Monthly Take-Up Unit per estates (units) | 24.6 | 24.8 | — |
| Avg. Monthly Take-Up Value per estates (IDR in Billion) | 30.6 | 33.8 | — |

Source: Cushman & Wakefield Indonesia Research, September 2018

SUPPLY-DEMAND GROWTH



Source: Cushman & Wakefield Indonesia Research, September 2018

Arief Rahardjo

Director, Research, Indonesia
Indonesia Stock Exchange
Building Tower 2, 15/F
Jl. Jendral Sudirman Kav. 52-53,
Jakarta, 12190
Tel: +62 2550 9500
arief.rahardjo@cushwake.com

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Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

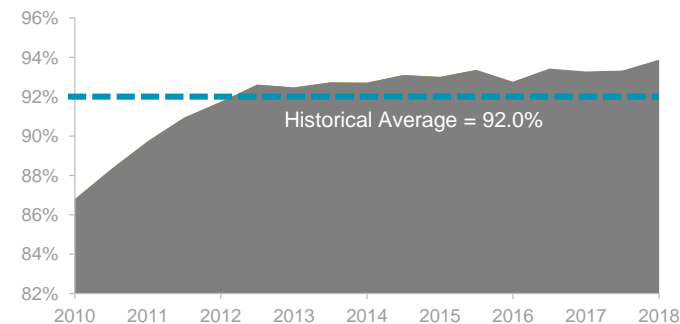
www.cushmanwakefield.com

The majority of housing unit transactions in the Greater Jakarta area during first half of 2018 were classified as middle segment, with about 36.2% of the total transactions. The significant increase seen in lower-middle segment with a 25.6% share, compared to in the previous semester.

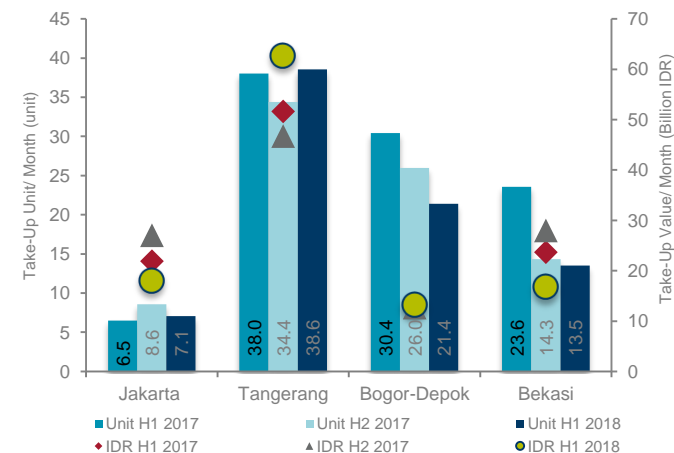
By performance, Tangerang had the highest average monthly take-up of about 38.6 units per month with an average value of IDR62.7 billion per month. Unlike Tangerang, Bogor-Depok area experienced the biggest drop in average monthly take-up rate, registering 4.5 units less than that in the previous semester.

In term of method of payment, mortgage was still the most preferred method of payment for transactions recorded in the Greater Jakarta, but the portion of transactions with mortgage payment decreased by about 4% from 74% in last semester to 70% this semester.

The most preferred housing unit was priced at IDR1.2 to 1.6 billion, with building sizes ranging from 67 to 100 square meters (sq.m.) and land sizes between 72 to 112 sq.m.

OVERALL SALES RATE


Source: Cushman & Wakefield Indonesia Research, September 2018

TAKE-UP UNIT AND VALUE


Source: Cushman & Wakefield Indonesia Research, September 2018

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Director, Research, Indonesia
Indonesia Stock Exchange
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New Supply

The next phase of Lavon Swan City in Cikupa had been launched, named Lavon II and added around 400 units in 3 clusters. Another 2 clusters will be launched by the end of the year. Another new estate in Tangerang area, Millenium City, added 317 units to the market. During the first semester of 2018, only 3,302 housing units had been launched, reflecting -31% drop compared to units launched in the second semester of 2017. Most of the supply came from middle to upper middle segments (15.8%), followed by lower-middle to middle segments (12.1%).

Outlook

Effective on 1st of August 2018, Bank Indonesia launched a new regulation to relax the Loan To Value (LTV) and Financing to Value (FTV) ratios in mortgage transactions, to make mortgage (KPR) housing purchase more attractive to buyers and to boost overall credit growth. Through the policy, Bank Indonesia has given authority to the banks to define their own LTV and FTV ratios based on their own loan analysis and risk management policy. This policy also relaxes the number of credit or financing facilities available for indent property and amends the limit for the number of mortgages taken by each buyer to 5 facilities at the same time.

However, the implementation of this new regulation hasn't been really seen. Some developers haven't adjusted their policy and still require 15-20% of down payments with DP installment facilities up to 12 months. Meanwhile, banks are still reviewing implementation of this regulation and aligning their risk management policy with the regulation. The significant impact of the regulation might be seen in mid of 2019, as banks and developers need some time to adjust and most house buyers may make buying decision after the upcoming presidential election in April 2019.

| SUBMARKET | PLANNED AREA (HA) | DEVELOPED AREA (HA) | SUPPLY (UNITS) | DEMAND (UNITS) | SALES RATE | AVG LAND PRICE (IDR PSM) |
|------------------------|----------------------|------------------------|----------------|----------------|--------------|-----------------------------|
| Jakarta | 1,060 | 754 | 23,591 | 20,279 | 86.0% | 13,800,000 |
| Tangerang | 23,218 | 9,344 | 178,562 | 172,528 | 96.6% | 12,554,423 |
| Bogor - Depok | 8,570 | 4,019 | 81,719 | 72,760 | 89.0% | 6,397,250 |
| Bekasi | 11,822 | 4,640 | 85,182 | 80,968 | 95.1% | 9,237,500 |
| Greater Jakarta | 44,670 | 18,757 | 369,054 | 346,535 | 93.9% | 10,497,293 |

Arief Rahardjo

Director, Research, Indonesia
Indonesia Stock Exchange
Building Tower 2, 15/F
Jl. Jendral Sudirman Kav. 52-53,
Jakarta, 12190
Tel: +62 2550 9500
arief.rahardjo@cushwake.com

NEW SUPPLY DURING H1 2018

| ESTATE | CLUSTER | MAIN TARGET | UNITS |
|---------------------|----------------------------------|-------------|-------|
| JAKARTA | | | |
| Asya | Matana (Phase 1) | UP | 64 |
| Jakarta Garden City | Matsu @ Shinano (Phase 1) | UM to UP | 160 |
| Metland Menteng | Peony Gold | UM to UP | 30 |
| TANGERANG | | | |
| Lavon Swan City | Corona | LM to MI | 126 |
| | Regalia | MI to UM | 375 |
| | Margonite | UM | |
| Lavon II | Montana | MI | 400 |
| | Viridia | MI | |
| Paramount Serpong | Latigo Village | Mi to UM | 132 |
| Bintaro Jaya | Altezza (Phase 1) | Mi to UM | 33 |
| Suvarna Sutera | Flavio @ Suvarna Sari (Phase 1) | MI | 67 |
| Citra Raya | Carona Park | LM | 130 |
| | Tevana @ The Savia | UP | 189 |
| | Zeva @ The Savia | MI | 82 |
| BSD City | The Kimora @ The Zora | UP | 53 |
| | Lakewood @ Nava Park (Phase III) | UP | 9 |
| | Jadeit (Phase II) | UP | 64 |
| Summarecon Serpong | Rossini (Phase 1) | MI to UM | 138 |
| | Rossini (Phase 2) | MI to UM | 130 |
| | The Scarlet @ The Springs | UP | 24 |
| The Riviera | The Riviera (Phase 2) | UP | 141 |
| Serpong Jaya | The Groove (Phase 2) | LM to MI | 123 |
| Millenium City | The Alton | LM to MI | 317 |
| BEKASI | | | |
| Kota Jababeka | Monacco Town House | LM | 205 |
| Grand Wisara | Vermella | MI to UM | 57 |
| | Water Terrace | UM to UP | 42 |
| Summarecon Bekasi | Burgundy @ The Orchard (Phase 3) | MI to UM | 92 |
| BOGOR-DEPOK | | | |
| Harvest City | New Quince Blossom | LM | 50 |
| Citra Gran | Clover Garden (Phase 1) | LM to MI | 137 |
| Metland Transyogi | Sierra (Phase 2) | LM to MI | 100 |
| Kota Wisata | New Visalia | LM to MI | 31 |
| Citriland Cibubur | New Areca | LM | 172 |

*Cushman & Wakefield's landed residential market analysis only focuses on actively marketed residential estates within the Greater Jakarta area. Those selected residential estates are considered as "major developments" with minimum development area of 30 hectares. Estates specializing in Healthy Simple Housing (Rumah Sederhana Sehat/ RSH) are excluded from the analysis.

Our market area coverage includes (1) North Jakarta; (2) Central Jakarta; (3) East Jakarta; (4) West Jakarta; (5) South Jakarta; (6) Bekasi Municipality; (7) Bekasi Regency; (8) Tangerang Municipality; (9) South Tangerang Municipality; (10) Tangerang Regency; (11) Depok Municipality; (12) Bogor Municipality; and (13) Bogor Regency.